FINANCIAL NEWS

Pizza Inn net rises 48% for first quarter of 1982

DALLAS—Pizza Inn Inc. has announced that net income increased 47.8% for the first quarter, ended March 28, to $442,000, from $299,000 during the same quarter of the last fiscal year.

Revenues for the quarter were $34.2 million, up 4.9% from $32.6 million in the first quarter of fiscal 1981.

Volumes Up

The increases resulted from decreases in certain costs, such as supervision, and an approximately 14% increase in restaurant volumes, the company said.

Kelly-Johnston's yearly earnings soar 120%

OKLAHOMA CITY—Kelly-Johnston Enterprises Inc., operators of 14 franchised Chi-Chi's restaurants in Oklahoma, Kansas, Missouri, New Mexico, Florida, and Georgia, reported a 120% increase in net earnings to $1.4 million on a 54% revenues rise to $18.5 million for the fiscal year ended March 28.

In April the company opened restaurants in Wichita, Kan., and Albuquerque, N.M. Kelly-Johnston Enterprises has franchise rights for Chi-Chi's in 11 states.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Steak & Shake	3 mos. 6 mos.	3/31 3/31	$ 12.586 26.600	0.2 4	$12.770 26.941	0.4 3.5	$ – 139,574 – 146,432	
Esteban Mexican Foods	3 mos.	3/27	1.39	3				
Pamex	3 mos. 6 mos.	3/31 3/31	5.784 11.292	20 15				
Pizza Inn Inc.	3 mos.				34.238	5	442,000	48
Godfather's Pizza	3 mos.	4/4	67.3	40	9.318	32	1.36	46
Kelley-Johnston Entpr.	12 mos.	3/28			18.509	54	1.49	120
Carson Pirie Scott	3 mos.	5/1	183.806	2			302,000	8

Source: *Company earnings reports*

**In millions*

†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended June 4							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate			Indicated Dvd Rate						Last Fiscal Year (Per Share)		
					Change		52-Week						Last Fiscal Year				Profit Margin	Latest P/E Ratio			Last X-Dvd Date	Last Fiscal Year		Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
Name	Symbol	High	Low	Close	Amt	Pct	High	Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days		Amt	Pct				Amt	Yield		Revenue	Earnings				
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil	$ Mil	—	$	$	—
Aca Los A Res	ALAR	5.50	4.25	4.25	-1.25	-22.73	10.63	3.50	-.44	.62	-1.77	-4.96	.47	-.21	Q	-50.0	6.0	4.3	20.2	.00	0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	20.13	18.13	19.38	-.13	-.64	21.25	10.00	.60	1.90	2.41	18.65	1.66	.41	N	26.2	34.0	6.3	9.8	.22	1.1	01-26-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	28.75	27.13	28.00	.38	1.36	36.00	23.50	.54	.90	-1.48	13.97	4.00	-1.13	S	-22.7	-1.0	1.5	7.3	2.00	7.1	05-25-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	5.75	5.38	5.38	-.38	-6.52	8.63	4.88	-.46	-.75	-.90	34.46	.66	.13	S	22.0	-8.0	2.6	7.5	.12	2.2	03-02-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	6.50	5.88	5.88	-.25	-4.08	6.50	2.88	.27	-1.61	3.14	-31.24	.62	.16	Q	32.6	32.0	2.4	9.0	.00	0	00-00-00	86.2	2.1	1.2	1.5	3	1081
Bob Evans Farms	BOBE	24.75	23.00	23.00	-1.75	-7.07	27.00	17.75	-.25	-.72	-1.21	-4.19	1.60	.20	F	14.2	25.0	7.9	14.4	.40	1.7	05-10-82	147.0	11.8	1.9	0	6	0481
Bonanza Intl Inc	BNZA	2.25	1.88	2.25	.38	20.00	6.88	1.06	1.35	5.99	1.93	41.76	-3.33	-3.32	Q	NC	-67.0	-61.8	NE	.00	0	00-00-00	24.1	-14.9	1.2	11.2	2	1281
Brock Hotel Cp	BHC	16.13	15.25	15.63	.13	.81	17.50	9.88	.33	.11	.12	-1.91	.59	.33	Q	103.1	24.0	4.3	24.0	.10	.6	03-08-82	165.1	7.1	1.2	11.0	4	1281
Calny Food	CLNY	7.75	7.75	7.75	.00	.00	10.34	7.16	-.16	.38	1.10	.00	1.11	.21	F	23.3	9.0	3.2	7.0	.20	2.6	04-29-82	41.7	.9	.4	9.6	4	0281
Carrols Develop	CRL	6.00	5.13	5.13	-.75	-12.77	7.63	3.97	-.18	-1.83	-10.99	-35.56	.86	.72	N	163.6	35.0	2.4	4.4	.09	1.8	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	20.25	19.88	19.88	-.25	-1.24	22.88	15.25	-.17	-.03	-2.89	7.93	2.03	.27	Q	15.2	14.0	5.0	9.7	.60	3.0	03-22-82	353.9	17.7	.9	14.5	10	1281
Chi-Chis	CHIC	25.00	23.25	23.25	-.88	-3.63	27.25	15.13	.14	-.63	4.15	-19.89	.46	.33	N	94.2	35.0	14.1	34.2	.00	0	06-02-81	14.9	2.1	3.1	1.7	2	0481
Ch Full O Nut	CHF	13.63	12.25	13.25	-.50	-3.64	14.38	9.00	.07	.13	-1.27	16.11	.66	-.36	S	-42.8	24.0	2.7	27.6	.40	3.0	12-14-81	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	30.25	28.25	28.88	-.88	-2.94	35.63	25.00	-.37	.80	-2.40	-2.72	3.52	.34	Q	10.8	18.0	10.8	8.3	1.00	3.5	04-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	3.00	2.75	2.75	-.25	-8.33	3.63	2.50	.00	-.62	-.09	19.23	-1.43	-1.09	F	NE	NE	-17.3	NE	.00	0	00-00-00	16.8	-2.9	0	6.2	0	1280
Collins Foods	CF	15.50	14.50	14.88	-.88	-5.56	17.25	10.31	.03	.00	-3.30	-17.91	1.56	.63	N	41.4	13.0	2.8	6.9	.24	1.6	03-25-82	265.2	7.5	1.4	10.6	13	0481
Consul Corp	CNSL	7.00	6.63	6.63	-.25	-3.64	10.13	5.25	-.13	.13	-1.87	-48.96	-.08	.12	S	NC	NE	-1.5	55.2	.00	0	00-00-00	6.8	-.1	.8	.6	1	0581
Cracker Barrel	CBRL	10.50	9.75	10.25	.25	2.50	11.00	7.25	.29	1.84	-4.17	30.52	1.00	1.01	S	NC	21.0	3.2	10.1	.00	0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	24.25	22.63	23.50	.13	.53	26.75	14.75	-.22	1.35	.03	-8.04	1.97	.77	N	49.6	6.0	3.2	10.1	.64	2.7	06-04-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	16.13	15.13	15.63	-.50	-3.10	18.25	11.13	.05	1.37	.05	-4.40	1.82	.26	S	15.2	19.0	8.3	8.0	.30	1.9	02-05-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	9.50	8.88	9.25	-.13	-1.33	10.50	5.78	-.26	.90	-6.40	-78.13	1.39	.73	N	63.4	14.0	3.0	4.9	.30	3.2	03-30-82	97.0	2.9	1.2	7.2	13	0581
Hambrg Hamlet	HAMB	8.00	5.00	8.00	3.00	60.00	8.25	5.00	.83	12.91	10.49	66.86	.27	-.15	S	-19.7	-24.0	.7	13.1	.00	0	00-00-00	28.4	.2	.9	20.9	12	0381
Hardwicke	HAWK	2.13	2.00	2.00	.00	.00	6.25	2.00	-1.05	-1.59	4.19	.00	-2.22	-3.88	S	NC	-62.0	-11.4	NE	.00	0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	38.25	33.13	33.25	-4.75	-12.50	52.25	32.00	-.21	-.40	3.05	4.52	4.22	-.04	Q	-.9	25.0	20.9	8.4	1.80	5.4	05-28-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	27.75	25.50	27.50	.63	2.33	33.25	21.88	-.07	2.30	.84	31.99	3.66	1.12	Q	42.4	26.0	7.8	7.3	.80	2.9	03-15-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	38.50	38.38	38.38	-.63	-1.60	48.75	33.00	-.13	.35	12.59	-99.68	NA	NA		NA	NA	NA	NA	.00	0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	17.75	15.75	17.00	-.25	-1.45	17.75	7.28	.22	2.09	1.25	14.28	1.05	.13	Q	14.6	30.0	2.7	16.7	.00	0	01-11-82	128.2	- 4.0	1.8	15.4	6	1280
Hungry Tiger	HTIG	8.50	7.75	7.75	-.75	-8.82	9.38	6.00	.61	-1.51	-1.62	22.22	.92	.14	S	16.6	42.0	3.2	7.9	.00	0	08-24-81	49.9	1.6	.8	5.8	4	0881
Imperial Grp	IMT	1.75	1.63	1.75	.06	3.70	1.81	1.06	.19	1.02	-2.01	-43.55	.62	-.15	S	-21.1	28.0	2.1	3.1	.14	8.0	02-24-82	8700.9	178.4	.9	.8	3	1080
Intl Dairy Queen	INDQ	11.50	11.25	11.50	.00	.00	13.25	9.25	.22	.83	1.13	-2.08	1.72	.23	Q	15.7	38.0	6.1	6.8	.00	0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	3.38	3.13	3.13	-.25	-7.41	3.50	1.75	.84	.38	.32	-36.38	-.65	.19	S	NE	-43.0	-3.1	NE	.00	0	10-09-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	6.75	6.38	6.38	-.50	-7.27	7.25	2.88	.15	.00	-.24	28.21	.63	.31	S	75.6	-1.0	3.0	8.9	.16	2.5	05-10-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	20.88	20.00	20.50	.25	1.23	27.63	15.63	.26	.85	2.36	4.14	1.70	.27	N	17.1	22.0	5.6	11.1	.12	.6	02-01-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	3.75	3.75	3.75	.00	.00	4.38	3.38	.22	.32	-.36	-58.33	-.24	-.46	S	-575.0	-33.0	-2.9	NE	.00	0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	18.75	17.75	18.00	-.50	-2.70	19.00	10.75	.10	.10	8.46	-11.00	.89	.89	F	NC	126.0	8.1	20.2	.00	0	00-00-00	11.9	.7	.4	.8	1	0381
Lubys Cafe	LUB	29.50	26.88	27.13	-2.25	-7.66	32.00	23.50	-.10	.30	-4.65	-36.89	1.45	.25	S	18.9	23.0	9.1	17.3	.48	1.8	06-07-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	6.13	5.88	5.88	-.25	-4.08	7.28	5.00	.57	-.10	-2.53	-39.88	1.15	.04	N	3.5	7.0	5.8	5.1	.00	0	08-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	39.25	36.50	36.50	-2.00	-5.19	47.00	31.63	.13	-.25	1.70	-14.57	3.20	.55	Q	20.0	31.0	4.3	11.1	.30	.8	06-21-82	2000.3	86.1	.9	23.2	16	1281
McDonalds Cp	MCD	67.63	65.38	67.50	1.25	1.89	72.88	56.75	.10	1.21	-.56	20.31	6.54	1.01	Q	17.6	18.0	10.5	10.0	1.20	1.8	05-24-82	2184.3	220.9	.7	24.2	28	1280
Morrison Inc	MORR	11.38	10.75	10.88	-.50	-4.40	12.00	8.13	-.10	.71	-1.61	29.44	.95	.15	N	16.6	7.0	3.9	10.4	.36	3.3	04-12-82	319.8	12.4	1.3	2.7	7	0581
Mr Steak	MSST	2.38	2.25	2.25	-.13	-5.26	4.13	2.13	-1.11	.26	-2.50	54.95	.22	-.25	S	-500.0	-22.0	.5	NE	.00	0	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	1.06	1.00	1.00	-.06	-5.88	1.88	.63	.28	.00	-1.31	-68.42	-.87	-.42	N	NE	NE	-7.9	NE	.00	0	00-00-00	21.5	-1.7	.4	.2	2	0381
Oakbrook Cons	OKCO	9.25	9.25	9.25	.00	.00	11.50	9.00	.28	.38	-1.69	50.00	1.74	.04	Q	2.5	13.0	1.3	5.7	.32	3.5	03-11-82	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	7.75	6.88	7.00	-.63	-8.20	11.38	6.88	-.52	-1.44	-3.57	14.86	1.01	.12	S	13.4	25.0	5.4	6.9	.20	2.9	02-22-82	76.2	4.1	1.9	10.2	7	0881
Piccadilly Caf	PICC	15.75	14.75	14.88	-.75	-4.80	18.88	13.50	-.62	.34	-2.82	2.90	1.30	.14	N	10.7	15.0	6.1	10.3	.48	3.2	03-09-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	5.25	4.75	4.88	-.38	-7.14	11.50	4.75	-.75	-.42	-3.69	-3.96	.50	-.02	Q	-3.5	-6.0	1.0	8.9	.00	0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	30.75	27.25	27.25	-3.50	-11.38	32.50	18.00	.29	-1.94	-1.70	32.90	.58	.54	F	350.0	81.0	7.2	47.0	.00	0	00-00-00	11.4	.1	1.3	.4	1	1280
Ponderosa Sys	PON	16.00	14.00	14.50	-1.38	-8.66	19.75	11.75	-.05	.43	-.84	25.25	2.01	1.42	F	240.6	8.0	2.4	7.2	.40	2.8	06-11-82	329.6	2.6	.8	22.3	15	0281
Ramada Inns	RAM	5.25	5.00	5.13	-.13	-2.38	12.50	5.00	-.17	.82	.30	-9.44	.05	-.48	F	-90.5	-15.0	.4	102.5	.12	2.3	10-19-81	395.5	1.4	.6	19.0	6	1281
Restaur Assc	RA	4.75	4.13	4.25	-.38	-8.11	8.25	4.00	-.38	-1.42	-7.80	38.37	.97	-.14	Q	-15.3	51.0	2.4	5.5	.00	0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	26.00	25.25	25.50	-.13	-.49	29.25	16.00	-.16	.37	-6.52	-17.73	2.36	1.07	N	49.7	18.0	1.4	7.9	.56	2.2	05-17-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	9.63	8.50	8.50	-1.13	-11.69	17.88	6.88	-.25	.21	-1.44	6.21	.68	.08	Q	13.5	55.0	4.5	12.7	.00	0	06-02-81	49.0	2.2	1.8	2.4	5	1281
Servico Inc	SRVI	9.75	9.00	9.00	-.25	-2.70	13.00	7.00	.13	-1.51	7.65	3.48	1.69	-.51	Q	-30.9	78.0	3.5	7.9	.00	0	00-00-00	114.4	2.9	1.0	50.1	4	1280
Shoneys Inc	SHON	17.75	17.25	17.25	-.25	-1.43	18.25	11.91	.39	.07	-1.78	-32.52	1.03	.25	S	27.1	21.0	5.5	14.7	.16	.9	03-29-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	10.00	10.00	10.00	.50	5.26	13.66	8.50	-.04	.36	2.51	76.67	.94	-1.30	F	-58.0	64.0	1.4	10.6	.20	2.0	06-25-82	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.63	2.63	2.63	.00	.00	3.13	2.38	.18	.45	-2.41	-30.49	.06	-.23	S	-79.3	-34.0	.5	43.8	.00	0	05-17-79	56.5	.3	1.2	4.6	3	0981
Valles Steak	VLE	6.63	5.88	6.50	.75	13.04	7.13	4.25	1.14	.36	6.81	27.24	-.22	.18	S	NE	-23.0	-.9	162.5	.00	0	11-01-78	65.6	-.6	1.3	7.8	10	0381
Victoria Stations	VSTA	10.00	9.13	9.13	-.88	-8.75	11.25	6.25	-.07	.19	1.46	17.52	-1.85	2.11	N	NE	-32.0	-4.3	76.0	.00	0	09-19-79	134.5	-5.8	1.0	9.0	10	0381
Wendys Intl	WEN	15.88	14.50	15.00	-.50	-3.23	19.25	12.25	-.46	1.15	-3.98	10.76	1.52	.14	Q	10.0	18.0	7.5	9.8	.28	1.9	05-11-82	347.0	30.1	.5	1.9	6	1280
Webb Del E	WBB	7.25	6.38	6.50	-.63	-8.77	12.13	4.88	-.19	-1.33	1.32	-13.88	.56	.14	F	33.3	-13.0	1.3	11.6	.00	.0	11-07-80	414.8	5.3	1.1	16.1	13	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

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SECURITY: INTERNAL & EXTERNAL

Clamping down on costly crime—Pp. 21-28

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Industry comeback continues

NEW YORK—Customer count increases slowed slightly in May for major food-service chains, but the general rebound which began in March still appears to be holding steady.

A comprehensive survey of 17 leading food-service chains showed total sales up 5.2% in May, compared with the previous May, and menu prices up only 3.5% in the same period, for an actual 1.7% comparative sales gain. In April the same 17 chains, whose units were intensively surveyed by Colonia, N.J.-based Restaurant Industry Trends, had a 5.9% total sales increases and a 3.9% menu price rise for a 1.8% actual sales increase.

Selected burger chains led the way in May with Wendy's showing a 7% actual sales rise, Jack in the Box 6%, Hardee's 4% and McDonald's 3%.

The coffee shop/family restaurant market appeared to slump as Denny's was off 1% in actual sales in May and Howard Johnson was flat. But Friendly was up 2%, and Sambo's results improved from a 13% actual sales dip in April to a 3% drop in May.

The overall performance of major chains in actual sales (roughly equivalent to customer counts) was considered satisfactory in the light of continued recession trends.

Pizza Hut franchisees are joining forces under the leadership of company president Arthur Gunther (inset) in an effort to form a unified system with consistent quality standards.

Pizza Hut's drive for unified image paying dividends

By Charles Bernstein

WICHITA, Kan.—Pizza Hut has launched a regionalized effort to coordinate its franchisees and give the system consistency—the one ingredient it has lacked for years as quality and standards varied greatly from one unit to another.

In the crazy-quilt pattern, "we had 109 different menus and 200 price ranges," a company source said. "Now that's all changing, and things are coming together in a standard pattern without sacrificing too much individuality."

The change stems from a new franchising agreement signed by virtually all of Pizza Hut's 127 franchisees, who range from 100-unit operators to ones with five units or less.

In effect, the agreement makes Pizza Hut one system of 2,000 domestic company-owned and 2,000 domestic franchised units, rather than the former completely separate systems. Co-op advertising was also established for the first time, and franchisee unit managers will be required to attend regional training schools to establish uniformity.

One thing Pizza Hut does have is the dedication of its franchisees, since only 14 of the 127 are also franchisees of other food-service chains. Under the intense negotiating process and

(Continued on page 49)

McDonald's promotes Quinlan, Schmitt

OAK BROOK, Ill.—Michael R. Quinlan, 37, has been named president and chief operating officer of McDonald's Corp. He remains president of McDonald's U.S.A., a position he has held since 1980.

Quinlan replaces Edward H. Schmitt, 56, who was named board vice chairman, a new position. Formerly president and chief administrative officer of the corporation, he continues in the chief administrative officer post.

In another move at headquarters here, Edward H. Rensi, 37, was named senior executive vice president and elected to the board. The former executive vice president continues as corporate chief operations officer.

Quinlan's promotion was viewed as less than a surprise by those familiar with McDonald's. The young executive has risen quickly through the ranks and has performed most of the duties for which he is now officially responsible.

The top level shuffling at the leading restaurant company was designed "to strengthen our corporate management in the United States and internationally," Fred L. Turner, chairman and chief executive, said. "I have asked Ed Schmitt to concentrate more of his time on our increasingly important international growth."

Schmitt has been with McDonald's for 18 years and served in several management posts before his promotion to vice president and regional manager in 1968. Three years later, he was named executive vice president and in 1974 senior vice president. Schmitt

(Continued on page 49)

Wage-hour regulators move to relax teen labor laws

By Ken Rankin

WASHINGTON—Reagan Administration wage-hour regulators have tentatively agreed on a major overhaul of the Federal child labor restrictions—a move that should give the nation's restaurants far greater flexibility to employ teenagers for kitchen work.

The liberalized teen employment rules were developed under marching orders from Vice President George Bush's White House Task Force on Regulatory Relief which attacked Federal child labor rules earlier this year as unnecessarily cumbersome and inconsistent.

Among other things, Administration regulatory reformers attacked current wage and hour ground rules permitting teenagers to cook hamburgers at lunch counters and snack bars but not in traditional restaurant kitchens—a distinction that Bush described totally unjustified.

The Labor Department's new child labor regulatory plan not only eliminates such inconsistent restrictions, but also proposes to offer food-service operators greater flexibility in scheduling teenage kitchen workers.

Although the new child labor rules have yet to surface as an official Reagan Administration proposal, draft copies of the revised regulations have been circulating among Washington trade associations and other industry groups.

Officials at the National Restaurant Association voiced general support for the Administration wage-hour changes, predicting that the relaxed child labor ground rules will prove to "be of considerable importance to food-service operators, who employ more teens than any other retail industry."

Although the new Labor Department plan does not address all of the restaurant industry's concerns about Federal restrictions on teenage employment, "many of the changes in the draft proposal are ones NRA has advocated for years," NRA labor law specialist Clyde Griffith said.

Besides dropping a number of current restrictions on the job duties that teens may legally perform in restaurant kitchens, the proposal would significantly increase the number of hours that youngsters may be employed in food-service establishments.

Instead of the three-hour work ceiling currently imposed on 14- and 15-year-olds, the draft proposal would allow these teenagers to work as many as four hours daily on

(Continued on page 49)

MUFSO agenda features top industry executives

WASHINGTON—*Nation's Restaurant News* has lined up a number of leading speakers for its 23rd annual Multi-Unit Food Service Operators (MUFSO) conference, at the Washington Hilton Hotel Oct. 24-27.

Among them will be J. Willard Marriott Jr., president of Marriott Corp.; Owen Butler, chairman of Procter & Gamble; Robert Luckey, new chairman of Sambo's; Jim Peterson, president of Whataburger; Nolan Bushnell, chairman of Pizza Time Theatre and founder of Atari; Norman Brinker, president of Pillsbury's restaurant group, and Joe Lee, president of General Mills' restaurant group.

Key panel discussions are slated on such topics as the state of the economy, demographics and the future outlook; market positioning; leading innovator, merchandising and turnaround chains; pricing strategies, purchasing and distribution; Wall Street and financing, and labor relations and minimum wage challenges.

Details and registration information are available from MUFSO director, *Nation's Restaurant News*, 425 Park Ave., New York, N.Y. 10022 (Phone 212-371-9400, ext. 282 or 283.)

LATE NEWSBREAKS

Red Lobster plans to open four test restaurants in Japan. A joint venture company formed by its parent General Mills Restaurant Group and giant Tokyo-based retailer Jusco Co. will own and run the restaurants.

Ponderosa is opening its first overseas restaurant in a London suburb. The company is also converting three Ponderosa steakhouses to Casa Lupita Mexican restaurants.

The struggle for control of Chock Full o'Nuts, the New York coffee shop chain, escalated as dissidents led by political figure Jerry Finkelstein revealed they hold more than 10% of company common stock. Story on Page 12.

A ruling by the U.S. International Trade Commission continuing duties on European sugar imports is expected to send sugar prices here spiraling upward. Story on Page 18.

Urge fight against tip bill

By Ken Rankin

WASHINGTON—Restaurant industry leaders are actively encouraging the nation's food-service workers to join forces with management in an effort to block pending Senate legislation requiring employers to report credit card tips to Federal tax collectors.

That proposal, part of a broader "Taxpayer Compliance Improvement Act" being pushed by Congressional Republicans in an attempt to trim the Reagan budget deficit, has already drawn heated opposition from food-service industry lobby groups.

Earlier this year, National Restaurant Association executive vice president Robert Neville told Senate Finance Committee Chairman Robert Dole (R-Kan.) that such an Internal Revenue Service tip disclosure requirement would "impose unreasonable record-keeping and reporting burdens on employees, compel employers to violate statutory requirements to file accurate returns and only duplicate data which IRS already has access to but has not utilized."

The proposal has also aroused stiff opposition from food-service employee union leaders who regard the tip income reporting mandate a slur on the integrity of the nation's waiters, waitresses, bartenders and other tipped workers.

Now—with the proposed tip disclosure plan gaining momentum in Congress—NRA officials are hoping to broaden the base of opposition by encouraging individual restaurant workers to join the protest.

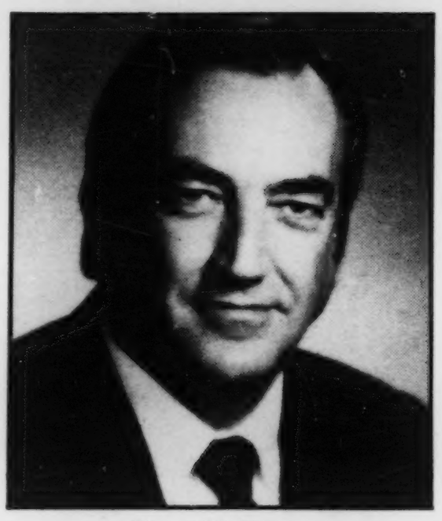
Stressing that "it is important to let employees know about the excessive requirements this legislation would impose upon them," the association is calling on its membership to post bulletin board notices urging individual workers to pressure their congressmen to vote down the controversial bill.

"Your employer would be required to report all tips shown on credit card slips and *tell*

(Continued on page 50)

Hardee's shifts execs to link command lines

ROCKY MOUNT, N.C.—Moving to clarify lines of command following the recent exit of marketing and operations executive vice president Robert "Bo" Batchelder, Jack Laughery, Hardee's Food Systems chairman and president, has made a series of executive appointments.



Spruill Bunn

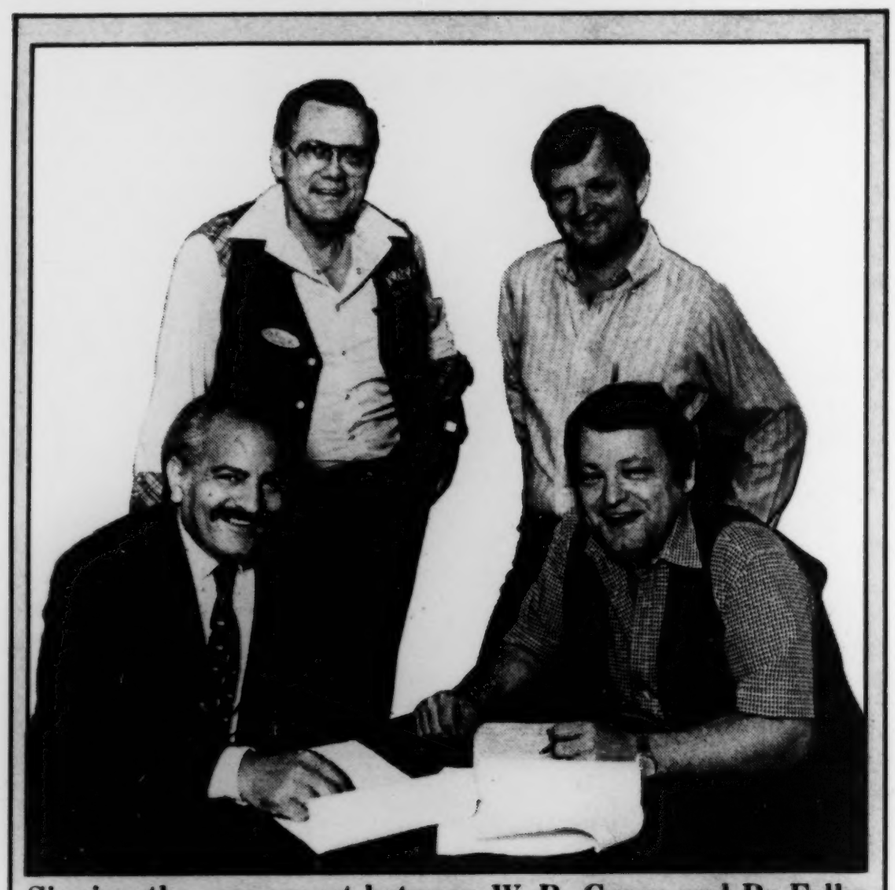
Most significant are new roles for Spruill Bunn as restaurant group executive vice president and Ronald Wertheim as senior vice president for marketing.

These changes and others appear, in addition, designed to give Laughery more day-to-day control over the merging of the Hardee's system with the recently acquired Burger Chef.

On the day Laughery "reluctantly"—according to a memo to employees—accepted the resignation of Batchelder, executive vice president for marketing, operations and development, he split some of Batchelder's responsibilities among two Batchelder subordinates.

Where Batchelder reported to Laughery on both marketing

(Continued on page 50)



Signing the agreement between W. R. Grace and Po Folks are: (l to r) Grace executive vp Anwar Soliman, Po Folks vp Roy Jones. vp Morris Dever and president Malcolm Hare.

Grace to convert five units to Po Folks

NASHVILLE—W. R. Grace has agreed with Po Folks Inc. to convert several Texas Jojo's, Coco's, and maybe a Del Taco to the Po Folks Southern-styled concept over the next year, according to a Po Folks official here.

The deal represents an expansion of the relationship which Grace and the 30-unit budget dinnerhouse chain developed with the conversion of a Del Taco restaurant in Warner Robins, Ga., earlier this year.

Morris Dever, Po Folks administrative vice president, said his firm would be paid "over $1 million, close to $2 million" as a licensing fee and would repay Grace's renovation investment from Po Folks' continuing share of the profits.

Dever said five Grace outlets had been earmarked for makeovers—three Jojo's, and one or two Coco's depending on whether a Del Taco unit was chosen.

The restaurants are in the Dallas-Fort Worth area and in San Antonio, Dever said.

Two conversions are due this year and three in the first half of next year, Dever said.

The seven-year-old Po Folks concept is based on deep-fried chicken and fish served in a fish-shack ambience.

With a per-person check average under $4, Po Folks units average about $1 million each in sales, according to company officials.

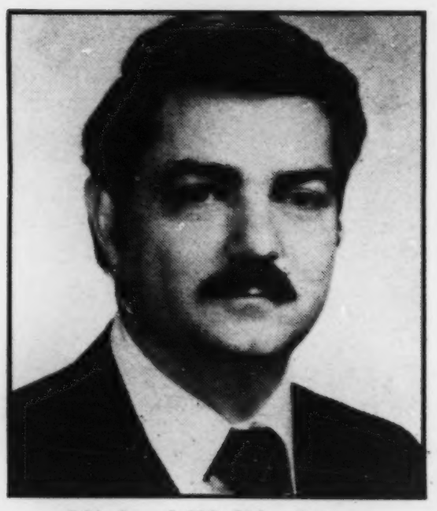
Anwar Soliman, president of Grace's restaurant group—who signed the agreement with Po Folks—could not be reached for comment. But a Grace corporate spokesman confirmed some details of the agreement.

Blackmon named Luther's chief

By Donald Frazier

HOUSTON—After months of acting as the head of Chart House's Luther's Bar-B-Que division, Michael Blackmon has been formally named division executive vice president and chief operating officer.

Blackmon, whose old title at



Michael W. Blackmon

Luther's was vice president, will oversee all operations and marketing for the fledgling concept, which now numbers 10 units, according to Chart House president William Hyde.

He succeeds Roger Kisiel, the former Hardee's executive who ran Luthers' for a short time before following former Chart House head Robert Luckey to Sambo's, where he serves as president and chief operating officer.

Blackmon's elevation comes at a time when Chart House is assimilating the lessons it has learned about the Luther's concept in the last year, and pondering its expansion through franchising.

Blackmon's duties at Luther's have focused on franchise sales and services. This mirrors his experience in the industry: before joining Chart House last November he was president of RTM, a Georgia-based Arby's franchisee.

Hyde attributed Blackmon's appointment to his "extensive knowledge of both the operating and franchising ends of the food-service industry." He added that Blackmon is "particularly well-suited to oversee the rapid expansion planned for both company-operated and franchised Luther's units."

The Luther's concept was acquired by Chart House over a year ago as a potential franchising vehicle complementary to its 378-unit Burger King division and its more than 100 dinnerhouses. Since then it has grown from two units to 10, with six more under construction.

Reeling from the loss of Kisiel, its first president, Luther's continued to search for viable franchisees in several Southeastern markets.

In a recent interview Blackmon said he has no definite plans for the chain's growth. But he did hint that the division stands at the brink of significant penetration into several major markets.

Popeye adding biscuits to menu

By Joe Edwards

JEFFERSON, La.—Made-from-scratch biscuits have been added to the menus in the 75 company-owned and operated Popeyes Famous Fried Chicken restaurants in the New Orleans, Atlanta, Houston and Memphis market areas.

The biscuits are served in place of rolls with all chicken dinners and boxes. They are also sold separately for 27¢ each. Dinner prices in some units have been raised about 10¢ to cover the additional costs.

In units where the biscuits have been in test for several months, total sales volumes have been "up considerably" without advertising, according to William Copeland, executive vice president. "We're looking for substantial incremental sales."

Average store sales for company-owned and franchised restaurants are about $600,000 a year on per-person check averages of $3.70, Copeland said.

Once considered a regional item which would not be popular outside the South, biscuits in the last two years have become an important part of the menu mix at Bojangles, Grandy's, Chicken George, Sisters and other chicken chains. Kentucky Fried Chicken, the fast-food chicken segment leader, is testing a biscuit program.

Other fast-feeders, including McDonald's and Krystal, have been testing and rolling out biscuits, too.

Popeyes' biscuits were in the experimental and testing stages for 15 months before the decision was made to roll them out in company stores by July 15, Copeland said.

"A lot of franchisees are very interested," Copeland said. "We get calls from them every day." About 235 Popeyes' res-

(Continued on page 49)

HIGHLIGHTS IN THIS ISSUE

6 Larger profits are slipping through the fingers of restaurant operators who are not spending enough effort on merchandising dessert, says *NRN* editor Charles Bernstein.

11 The trials and tribulations of the independent restaurant entrepreneur was the topic of a small business seminar held in Tampa, Fla., recently.

12 The battle for control of the New York City-based Chock Full o'Nuts chain took a new twist as the founder's daughter revealed her 6% stake in the company.

14 Wine & Spirits columnist Mort Hochstein interviews the manager of the successful Toledo Club, who tells how aggressive marketing of beverages has kept the operation in the black.

18 Sugar prices are expected to skyrocket following a controversial new ruling by the International Trade Commission.

28 The changing American lifestyle and its effect on the food-service industry was the subject of a recent program co-sponsored by the New York University Women's Foodservice Institute.

30 A North Carolina-based Hardee's franchisee copped first prize in Pepsi-Cola's ninth annual Most Valuable Promotion competition.

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FINANCIAL NEWS

Restaurant Associates continues on expansion course

NEW YORK—Restaurant Associates will log less net income this year than it did last—fiscal 1981 was its most profitable year ever—but its balance sheet is still getting stronger, encouraging a spate of current growth.

Chairman Martin Brody and president Max Pine told attendees of a recent stockholders meeting here that most attention would be paid to expanding the company's midpriced steakhouse concept, Charlie Brown's.

Thirteen Charlie Brown's are open. The first outside northern New Jersey opened in Yonkers, N.Y. in April. Another opens in Bradenton, Fla., this month and a third in Woodbury, N.J., in late summer. The Sarasota/Tampa area on Florida's west coast has been targeted as an expansion area for the concept.

The company officials called Charlie Brown's recent performance outstanding, reporting customer counts up 16% and profit up 75% for the first quarter of this year ended March 27. Unit sales on an annualized basis are about $1.2 million.

The executives said they were holding preliminary acquisition talks with several small dinnerhouse chains in new geographic markets. The company has a $7 million line of bank credit plus a $3 million cash surplus earmarked for acquisition and development.

The company is also working with Chicago's Levy Organization in a joint venture to develop on the East Coast a chain of stylish saloon's called Hillary's. The first Hillary's is under construction in Riverside Plaza, Hackensack, N.J.

Other major new Restaurant Associates operations include management of the National Press Club in Washington, D.C., operation of the Orchard Inn, a 100-room motel in Sturbridge, Mass., (leased with an option to buy), and food-service management at the West Side Tennis Club, Forest Hills, N.Y.

For 1982 the company will report a fall-off in income that does not really reflect its operations performance or its probable future profits, according to top officials.

For one thing, the company has been able to take an extraordinary item tax credit the last few years that will not be available in 1982.

In 1980 its effective income tax rate was 30%. In 1981 it was 38%. This year it's estimated at 46%.

In addition 1981 results were boosted by $783,000 of gain on disposal of facilities.

For the first quarter of this year Restaurant Associates reported a 66% drop in net income to $379,000. But income from regular operations, before gains on purchase of debentures and disposal of facilities, provision for income taxes and extraordinary items jumped 47% from the year-earlier period to $577,000.

For the year ended Dec. 26, 1981, net working capital (current assets minus current liabilities) had grown to $2.9 million from $2.5 million a year earlier.

Shareholders equity for the period grew by better than 8% to $34.7 million.

Long-term debt, meanwhile, fell from $10.2 million to $8.9 million and the company's debt to equity ratio shifted from 1 to 3 to 1 to four.

Despite its consolidation and concentration on profitable areas—dinnerhouses and newsstands—Restaurant Associates top men say the company still has some operations that are a drag on the bottom line. The executives hint that one or more of these may go on the block this year.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended June 18							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate		Last X-Dvd. Date	Last Fiscal Year		Current Ratio	Last Fiscal Year (Per Share)		Last Balance Sheet Date
Name	Symbol	High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.			Latest P/E Ratio	Amt.	Yield		Revenue	Earnings		Long Term Debt	Common Stock Equity	
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Aca Los A Res	ALAR	4.38	4.13	4.38	.13	2.94	9.88	3.50	-1.08	.72	-2.22	-47.06	.47	-.48 S	-109.0	-5.0	4.3	NE	.00	.0	01-06-81	27.7	1.2	2.4	5.7	3	1081
Am Motor Inns	INN	19.63	18.38	18.50	-.88	-4.52	20.88	10.00	.40	-.29	-2.58	-12.95	1.66	.41 N	26.2	34.0	6.3	9.4	.22	1.2	01-26-82	142.3	8.9	1.5	15.6	11	0781
ARA Services	ARA	28.38	25.25	25.63	-2.38	-8.48	36.00	23.50	.26	-.36	9.05	.81	4.00	-1.13 S	-22.7	-1.0	1.5	6.7	2.00	7.8	05-25-82	2915.9	45.1	1.2	21.0	44	0981
Assoc Hosts	AHST	5.38	5.00	5.00	-.38	-6.98	8.13	4.88	-.57	.17	-3.90	-15.22	.66	.13 S	22.0	-8.0	2.6	6.9	.12	2.4	06-08-82	79.9	2.1	1.5	6.4	7	0981
Beefstk Char	BSCC	5.75	5.13	5.25	-.63	-10.64	6.50	2.88	-.22	-1.37	-2.84	6.83	.62	.16 Q	32.6	32.0	2.4	8.1	.00	.0	00-00-00	86.2	2.1	1.2	1.5	3	1081
Bob Evans Farms	BOBE	22.75	21.75	22.00	-1.00	-4.35	27.00	17.75	-.20	.70	2.81	-3.84	1.60	.20 F	14.2	25.0	7.9	13.8	.40	1.8	05-10-82	147.0	11.8	1.9	.0	6	0481
Bonanza Intl Inc	BNZA	2.13	1.50	1.50	-.75	-33.33	5.63	1.06	-.22	-4.15	-4.50	31.94	-3.33	-3.32 Q	NC	-67.0	-61.8	NE	.00	.0	00-00-00	24.1	-14.9	1.2	11.2	2	1281
Brock Hotel Cp	BHC	16.00	13.25	14.00	-1.63	-10.40	17.50	9.88	-.16	-2.14	-.43	1.55	.59	.33 Q	103.1	24.0	4.3	21.5	.10	.7	03-08-82	165.1	7.1	1.2	11.0	4	1281
Calny Food	CLNY	8.00	7.75	8.00	.25	3.23	10.34	7.16	.46	.68	5.99	17.89	1.11	.21 F	23.3	9.0	3.2	7.2	.20	2.5	04-29-82	41.7	.9	.4	9.6	4	0281
Carrols Develop	CRL	5.50	5.00	5.00	-.13	-2.44	6.38	3.97	-.21	-1.25	2.56	-21.69	.86	.72 N	163.6	35.0	2.4	4.3	.09	1.8	12-24-81	75.6	1.8	.7	10.1	5	0581
Chart House	CHHO	20.00	18.63	19.75	-.13	-.63	22.88	15.25	.06	.70	-.07	11.86	2.03	.27 Q	15.2	14.0	5.0	9.7	.60	3.0	03-22-82	353.9	17.7	.9	14.5	10	1281
Chi-Chis	CHIC	25.13	23.38	23.75	.50	2.15	26.88	15.13	.39	-.49	1.04	-37.74	.46	.32 N	88.8	35.0	14.1	34.9	.00	.0	06-02-81	14.9	2.1	3.1	1.7	2	0481
Ch Full O Nut	CHF	13.38	12.13	12.38	-.88	-6.60	14.38	9.00	-.03	-.98	-.95	2.41	.66	-.36 S	-42.8	24.0	2.7	25.8	.40	3.2	12-14-81	118.7	3.2	3.4	.8	5	0781
Churchs Fr Ch	CHU	29.50	26.88	26.88	-2.00	-6.93	33.63	25.00	-.17	-.53	.63	-22.57	3.52	.34 Q	10.8	18.0	10.8	7.7	1.00	3.7	04-26-82	412.1	44.6	1.9	1.0	15	1281
Cindys Inc	CNDYC	2.88	2.75	2.75	.00	.00	3.63	2.50	.05	.83	-6.88	-17.09	-1.43	-1.09 F	NE	NE	-17.3	NE	.00	.0	00-00-00	16.8	-2.9	.0	6.2	0	1280
Collins Foods	CF	17.25	14.50	16.88	2.00	13.45	17.25	10.31	.33	.74	1.09	-30.45	1.56	.63 N	41.4	13.0	2.8	7.8	.24	1.4	03-25-82	265.2	7.5	1.4	10.6	13	0481
Consul Corp	CNSL	6.50	6.25	6.25	-.38	-5.66	10.13	5.25	-.08	.36	-4.13	-36.67	-.08	.12 S	NC	NE	-1.5	52.1	.00	.0	00-00-00	6.8	-.1	.8	.6	1	0581
Cracker Barrel	CBRL	10.75	10.00	10.00	-.25	-2.44	11.00	7.25	.19	.71	1.34	-50.00	1.00	1.01 S	NC	21.0	3.2	9.9	.00	.0	00-00-00	28.5	.9	1.0	5.4	3	0781
Dennys Inc	DEN	25.75	22.75	24.63	1.13	4.79	26.75	14.75	.40	1.20	.08	33.86	1.97	.77 N	49.6	6.0	3.2	10.6	.64	2.6	06-04-82	840.7	26.9	1.5	16.0	13	0681
Dunkin Donuts	DUNK	15.50	14.88	15.50	-.13	-.80	17.94	11.13	.06	1.54	-.53	8.52	1.82	.26 S	15.2	19.0	8.3	7.9	.30	1.9	02-05-82	68.7	5.7	1.3	11.4	11	1081
Frischs	FRS	9.13	8.75	8.88	-.38	-4.05	10.50	5.78	-.01	-.03	-5.03	4.55	1.39	.73 N	63.4	14.0	3.0	4.7	.30	3.4	03-30-82	97.0	2.9	1.2	7.2	13	0581
Hambrg Hamlet	HAMB	8.00	7.00	7.00	-1.00	-12.50	8.25	5.00	2.08	.65	6.35	15.38	.27	-.15 S	-19.7	-24.0	.7	11.5	.00	.0	00-00-00	28.4	.2	.9	20.9	12	0381
Hardwicke	HAWK	2.00	1.75	1.75	-.25	-12.50	6.25	1.75	-.74	-.62	-1.46	66.67	-2.22	-3.88 S	NC	-62.0	-11.4	NE	.00	.0	00-00-00	30.6	-3.5	1.4	18.4	8	0981
Hilton Hotels	HLT	33.63	29.75	29.75	-3.50	-10.53	50.88	29.75	-.44	-2.01	3.23	30.12	4.22	-.04 Q	-.9	25.0	20.9	7.5	1.80	6.1	05-28-82	539.3	112.6	2.0	4.5	20	1281
Holiday Inns	HIA	28.50	26.50	27.25	-.25	-.91	33.25	21.88	.30	-.20	3.39	5.56	3.66	1.12 Q	42.4	26.0	7.8	7.2	.80	2.9	06-10-82	1765.1	137.4	.8	21.0	25	1281
Holiday Inns A	HIA A	41.25	41.25	41.25	2.88	7.49	48.75	33.00	.19	.70	3.73	.00	NA	NA	NA	NA	NA	NA	.00	.0	00-00-00	NA	NA	NA	NA	NA	NA
Horn & Hardart	HOR	17.13	15.63	16.00	-1.00	-5.88	17.75	7.28	.33	-.07	-.69	11.15	1.05	.13 Q	14.6	30.0	2.7	15.7	.00	.0	01-11-82	128.2	4.0	1.8	15.4	6	1280
Hungry Tiger	HTIG	7.75	7.25	7.50	-.25	-3.23	9.38	6.00	-.21	.72	-3.42	56.14	.92	.14 S	16.6	42.0	3.2	7.7	.00	.0	08-24-81	49.9	1.6	.8	5.8	4	0881
Imperial Grp	IMT	1.75	1.63	1.63	-.13	-7.14	1.81	1.06	.33	-.17	-4.17	-17.50	.24	.00 F	.0	2.0	2.0	6.8	.14	8.6	02-24-82	8462.9	171.0	1.1	.7	2	1081
Intl Dairy Queen	INDQ	11.50	11.50	11.50	.00	.00	13.25	9.25	.35	.72	1.70	18.33	1.72	.23 Q	15.7	38.0	6.1	6.8	.00	.0	00-00-00	91.3	5.6	1.1	9.7	6	1181
Int King Tab	IKNG	3.13	3.00	3.00	-.13	-4.00	3.50	1.75	.14	.66	-6.30	1.98	-.65	.19 S	NE	-43.0	-3.1	NE	.00	.0	10-09-79	32.0	-1.0	.3	5.4	3	0681
JBs Rest	JBBB	6.50	6.00	6.50	.13	1.96	7.25	2.88	-.12	1.15	1.23	-20.24	.63	.31 S	75.6	-1.0	3.0	9.0	.16	2.5	05-10-82	36.4	1.1	.9	5.2	5	0981
Jerrico Inc	JERR	20.88	19.75	19.75	-.75	-3.66	27.63	15.63	.52	.03	-2.05	-8.44	1.70	.27 N	17.1	22.0	5.6	10.7	.12	.6	02-01-82	378.2	21.0	1.1	3.7	10	0681
Kapok Tr Inns	KTI	4.50	3.75	4.13	.38	10.00	4.50	3.50	.60	-.82	5.63	-77.07	-.24	-.46 S	-575.0	-33.0	-2.9	NE	.00	.0	00-00-00	13.8	-.4	3.1	1.9	6	0981
Kelly Johnston	KEJO	18.75	17.75	18.75	.75	4.17	19.00	10.75	.31	1.49	-1.16	-2.37	.89	.89 F	NC	126.0	8.1	21.1	.00	.0	00-00-00	11.9	.7	.4	.8	1	0381
Lubys Cafe	LUB	27.88	26.75	27.13	.00	.00	32.00	23.50	-.25	.79	3.87	32.04	1.45	.25 S	18.9	23.0	9.1	17.3	.48	1.8	06-07-82	108.2	9.8	1.1	.9	6	0881
Marcus Corp	MRCS	6.00	5.88	5.88	.00	.00	7.28	5.00	.26	.63	-5.57	2.87	1.15	.04 N	3.5	7.0	5.8	5.1	.00	.0	08-24-81	105.3	6.1	.8	2.9	9	0581
Marriott Corp	MHS	37.38	33.88	34.00	-2.50	-6.85	43.38	31.63	-.14	-.60	.15	-28.74	3.20	.55 Q	20.0	31.0	4.3	10.3	.30	.9	06-21-82	2000.3	86.1	.9	23.2	16	1281
McDonalds Cp	MCD	69.88	67.00	69.88	2.38	3.52	72.88	56.75	.57	1.02	-.75	-8.01	6.54	1.01 Q	17.6	18.0	10.7	10.4	1.20	1.7	05-24-82	2477.2	264.8	.5	23.0	34	1281
Morrison Inc	MORR	10.75	9.75	9.75	-1.13	-10.34	12.00	8.13	-.17	-.45	-3.23	2.94	.95	.15 N	16.6	7.0	3.9	9.3	.36	3.7	04-12-82	319.8	12.4	1.3	2.7	7	0581
Mr Steak	MSST	2.25	2.13	2.25	.00	.00	4.13	2.13	-.75	.76	-2.25	-16.81	.22	-.25 S	-500.0	-22.0	.5	NE	.00	.0	05-29-80	55.7	.3	1.4	3.4	5	0981
Nathans Famous	NATH	1.13	1.00	1.00	.00	.00	1.88	.63	.43	1.93	-.70	-69.15	-.87	-.42 N	NE	NE	-7.9	NE	.00	.0	00-00-00	21.5	-1.7	.4	.2	2	0381
Oakbrook Cons	OKCO	9.25	9.25	9.25	.00	.00	11.50	9.00	.37	.74	3.45	91.18	1.74	.04 Q	2.5	13.0	1.3	5.7	.32	3.5	03-11-82	133.4	1.7	.8	5.6	13	0981
Orange-co	OJ	6.88	6.25	6.63	-.38	-5.36	11.38	6.25	-.61	.13	-1.23	8.21	1.01	.12 S	13.4	25.0	5.4	6.6	.20	3.0	02-22-82	76.2	4.1	1.9	10.2	7	0881
Piccadilly Caf	PICC	15.50	14.88	15.50	.63	4.20	18.25	13.50	-.15	.85	-2.10	-4.31	1.30	.14 N	10.7	15.0	6.1	10.8	.48	3.1	03-09-82	127.2	7.8	1.7	.0	6	0681
Pizza Inn	PZA	5.00	4.63	4.88	.00	.00	11.50	4.63	-.46	.76	1.21	-10.54	.50	-.02 Q	-3.5	-6.0	1.0	8.9	.00	.0	00-00-00	133.5	1.4	.9	12.9	7	1281
Pizza Time Thea	CHKY	31.50	27.75	27.75	.50	1.83	32.50	18.00	.06	-1.35	-1.18	-28.51	.58	.54 F	350.0	81.0	7.2	47.8	.00	.0	00-00-00	11.4	.1	1.3	.4	1	1280
Ponderosa Sys	PON	16.00	14.50	15.25	.75	5.17	18.75	11.75	.03	-.49	.06	-44.37	2.01	1.42 F	240.6	8.0	2.4	7.6	.40	2.6	06-11-82	353.9	8.5	1.0	20.0	17	0282
Ramada Inns	RAM	5.13	4.50	4.50	-.63	-12.20	11.25	4.50	-.28	-1.47	2.07	6.68	.05	-.74 Q	-139.6	-21.0	.4	NE	.12	2.7	10-19-81	395.5	1.4	.6	19.0	6	1281
Restaur Assc	RA	4.25	3.88	3.88	-.38	-8.82	7.88	3.88	-.43	-.84	-2.55	29.67	.97	-.14 Q	-15.3	51.0	2.4	5.0	.00	.0	00-00-00	99.2	2.4	1.3	3.2	6	1281
Saga Corp	SGA	26.38	23.88	25.00	-.50	-1.96	29.25	16.00	.13	-.22	.46	22.50	2.36	1.07 N	49.7	18.0	1.4	7.8	.56	2.2	05-17-82	819.0	11.6	.9	9.3	15	0681
Sea Galley	SEAG	8.88	8.38	8.63	.13	1.47	16.50	6.88	-.41	.82	-6.87	-5.57	.68	.08 Q	13.5	55.0	4.5	12.9	.00	.0	06-02-81	49.0	2.2	1.8	2.4	5	1281
Servico Inc	SRVI	8.75	8.00	8.00	-1.00	-11.11	13.00	7.00	-.30	-1.99	1.28	-13.56	1.69	-.51 Q	-30.9	78.0	3.5	7.0	.00	.0	00-00-00	126.4	4.4	1.1	56.1	6	1281
Shoneys Inc	SHON	17.25	17.13	17.25	.00	.00	18.25	11.91	.28	.84	-.45	-39.77	1.03	.25 S	27.1	21.0	5.5	14.7	.16	.9	03-29-82	269.4	14.8	1.0	2.0	5	1081
Sonesta Hotel	SNSTZ	10.00	10.00	10.00	.00	.00	13.66	8.50	.69	.71	5.81	-8.91	.94	.37 Q	217.6	32.0	1.4	18.5	.20	2.0	06-25-82	145.0	2.1	.9	27.7	10	1281
Steak n Shake	STAK	2.63	2.63	2.63	.00	.00	3.13	2.38	.50	.87	1.15	-46.88	.06	-.23 S	-79.3	-34.0	.5	43.8	.00	.0	05-17-79	56.5	.3	1.2	4.6	3	0981
Valles Steak	VLE	6.50	6.00	6.00	-.50	-7.69	7.00	4.25	.77	-.46	-1.39	7.26	-.22	.18 S	NE	-23.0	-.9	150.0	.00	.0	11-01-78	65.6	-.6	1.3	7.8	10	0381
Victoria Stations	VSTA	8.13	7.50	7.88	-1.25	-13.70	11.25	6.25	-.82	1.37	-.47	-5.91	-1.85	2.11 N	NE	-32.0	-4.3	65.6	.00	.0	09-19-79	134.5	-5.8	1.0	9.0	10	0381
Wendys Intl	WEN	16.25	14.88	15.13	.13	.83	19.00	12.25	.16	-.04	.19	-9.16	1.52	.14 Q	10.0	18.0	7.5	9.9	.28	1.9	05-11-82	490.4	36.9	.6	3.8	8	1281
Webb Del E	WBB	6.63	5.88	6.00	-.50	-7.69	12.00	4.88	-.41	-.09	-2.18	6.20	.56	.80 Q	NE	-24.0	1.3	9.7	.00	.0	11-07-80	414.8	5.3	1.1	16.1	13	1281

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
CFS Continental	3 mos.	4/17			$241.814	15	$ 3.201	28
	6 mos.	4/17			556.430	17	7.061	29
Mr. Steak	3 mos.	3/28			14.636	8	(536,000)	
	6 mos.	3/28			28.251	5	(434,000)	
JB Restaurants Inc.	3 mos.	3/14			9.459	25	162,486	50
	6 mos.	3/14			18.961	26	488,770	52
Winners Corp.	3 mos.	3/31	$ 18.779	17			260,000	70
Sambo's Rests.	3 mos.	4/1	66.100	20			(10.800)	
Bob Evans	12 mos.	4/30	173.429	18			13.656	14
Collins Foods Int'l	12 mos.	4/30			299.413	13	9.632	31
	3 mos.	4/30			76.625	15	2.286	19
Shoney's Inc.	3 mos.	5/9			74.678	17	4.358	18
	6 mos.	5/9			160.747	18	9.290	28
Dunkin' Donuts	3 mos.	5/1			18.552	10	1.737	13
	6 mos.	5/1			36.361	10	3.351	14
Bonanza	3 mos.	3/28	86.400	9	5.900	10	(15,000)	
Danners Inc.	3 mos.	5/1	35.283	16			(429,743)	
Calny Inc.	12 mos.	2/27	36.979	11			1.184	27
Ponderosa	3 mos.	5/20			88.277	5	2.100	10
Hamburger Hamlets	12 mos.	3/28	31.610	11			971,886	40

Source: *Company earnings reports*

—loss in corresponding period
**In millions*
†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Dobbs Houses in no rush to franchise Toddle House

MEMPHIS—About a year and a half after it decided to revive its Toddle House concept (tiny 24-hour coffee shops), Dobbs Houses Inc. says it is still a year away from franchising and more rapid expansion.

Nine of the 42-seat restaurants are operating today. All are profitable, according to Robert P. Bryant, Dobbs Houses chairman and vice chairman of parent Carson Pirie Scott & Co., the Chicago department store operator.

Average annual sales are $365,000 and average per person check $2.83 at existing units in Connecticut, Maryland (2), Florida (2), Tennessee, Texas (2) and Virginia, Bryant said.

Twelve company-owned units are planned for the next year. The new units will go in the Washington, Houston and Gulf Coast areas.

New units are being redesigned to increase seating to 50-52 and to change the configuration of the shells to a narrower and deeper building that makes better use of the site pad, Bryant said.

The extra seating is needed to handle heavy breakfast traffic, he said.

When the company-owned units are up, franchised units will begin to join them in the Northeast and Midwest. These are areas "where our name is already well known," Bryant said.

He said the 1983 franchising date was exactly that indicated in the company's strategic plan when it decided to revive the Toddle House concept.

"They'll be ma and pa type franchisees," he said, "run by the people who own them."

Meanwhile, he indicated, he was trying to put together a pool of funds from which to offer franchisees long-term financing. "Conventional mortgages cost too much," he said.

The new Toddle Houses are manned by from one to six employees, cooking and serving customers from a central cooking area.

The modular units can be put together in-factory or on-site. Cost, either way, is about $350,000.

"We're beginning to favor on-site building," Bryant noted, "because, although it takes longer, we don't have to pay transportation costs."

On-site building takes 3-4 months; a factory-built installation can be completed in two weeks.

With a menu that ranges from eggs, waffles and omelets to sandwiches and burgers to chicken fried steak and veal parmigiana, Toddle Houses are looking for "the upper scale blue collar market," Bryant said.

He also commented, "We're looking for corner sites that are blue-collar in terms of neighborhood and blue- and white-collar in terms of impact—say down the street from a major hospital in a working class neighborhood."

The restaurant business is Dobbs Houses' third largest in sales, after airline catering and airport terminal food service. In 1980 and 1981 profitability of the air traffic-related businesses had fallen off and Bryant predicted increased profit contribution from the company's restaurants.

This has not actually happened, Bryant said. The company started a new contract food-service division this year and also has been picking up new airline accounts, Bryant said.

The company has, meanwhile, been cutting back its main restaurant concept, Steak 'n Egg Kitchens. Currently, 218 Steak 'n Egg Kitchens are in

Bryant said the closed Steak 'n Egg Kitchens were performing poorly because they were "in transitional neighborhoods."

He said the closings would improve restaurant group profitability.

Besides Toddle Houses and Steak 'n Egg Kitchens, Dobbs Houses operates a few Always coffee shops, one Garden Gallery, two Luau Polynesian restaurants and one Mississippi Co. restaurant.

Dobbs Houses is apparently under great pressure from Carson Pirie Scott which acquired Dobbs from Squibb Corp. for $100 million in 1980.

Carson's department store business has been flagging. Profits dropped 4.9% in fiscal 1981 on top of a 25.3% plunge the year before.

Carson chairman Carroll E. Ebert commented extensively on the company's dependence on Dobb's Houses earlier this month at the company's annual meeting.

"We don't want Dobbs to be a part of us, we want it to be Carson Pirie Scott," Ebert said.

"We can't really say we would sell the department stores, but . . . maybe we're in too many businesses."

Ebert revealed that through Dobbs' connections the company is seeking bids to manage resorts in the Houston area. It already runs resort conference centers in Nordic Hills and Indian Lakes, Ill.

"We're trying to meld Dobbs Houses into an integrated food and lodging company," Ebert characterized current strategy. "It gives us a new avenue of growth."

Moving the Carson/Dobbs combination into an airline catering, restaurant and lodging organization could eventually create a company similar to the Marriott Corp., according to some industry analysts.

The effort to revive Toddle Houses brings back a concept that was popular in the 1930's and 1940's. The original Toddle Houses had just 10 stools at a counter. They were also open 24 hours a day, featured waffles, hash browns and homemade cream pies and sported a slogan declaring them "as good as the best."

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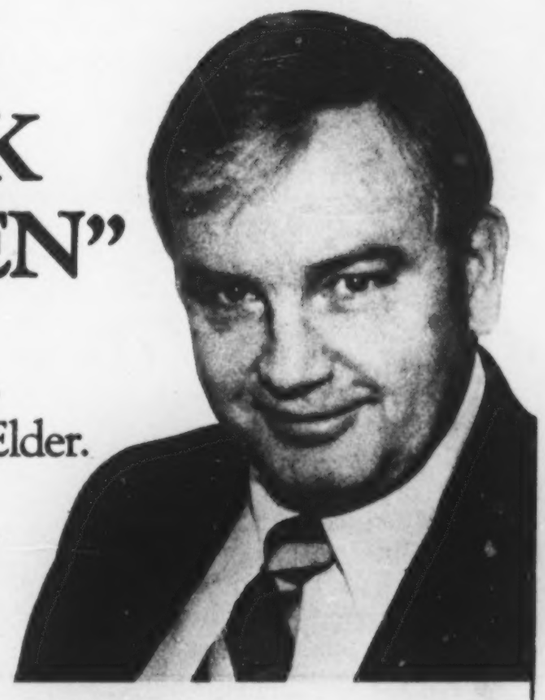

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